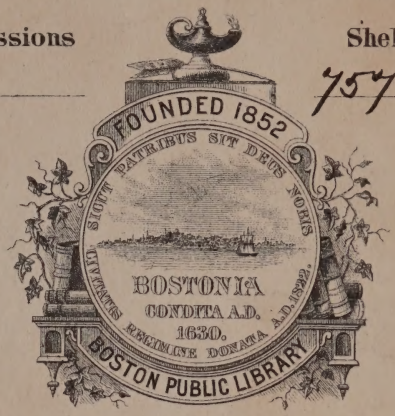
BOSTON PUBLIC LIBRARY
3 9999 08653 185 0
1415

R

Accessions

Shelf No.

7572.197




Received Feb. 13, 1893.

Hellotype Printing Co.

K. DEC 81
A. APR 22

# MODERATE HOUSES FOR MODERATE MEANS.

AN

# ARGUMENT

FOR

*Cheap Trains as Essential to Independent Homes for the Working Classes;*

AND AN

# ADDRESS

BEFORE THE QUINCY HOMESTEAD ASSOCIATION:

TOGETHER WITH

THE ORGANIZATION OF THE QUINCY HOMESTEAD ASSOCIATION. AND THE REQUIREMENTS FOR ADMISSION.

By JOSIAH QUINCY.

BOSTON:
WRIGHT & POTTER, PRINTERS, 79 MILK STREET,
(Corner of Federal Street).
1871.

# MODERATE HOUSES FOR MODERATE MEANS.

AN

# ARGUMENT

FOR

*Cheap Trains as Essential to Independent Homes for the Working Classes;*

AND AN

# ADDRESS

BEFORE THE QUINCY HOMESTEAD ASSOCIATION:

TOGETHER WITH

THE ORGANIZATION OF THE QUINCY HOMESTEAD ASSOCIATION, AND THE REQUIREMENTS FOR ADMISSION.

By JOSIAH QUINCY.

BOSTON:

WRIGHT & POTTER, PRINTERS, 79 MILK STREET

(Corner of Federal Street).

1871.

Pamph
X
5560.59

# THE QUINCY HOMESTEAD ASSOCIATION.

## PREAMBLE AND RESOLUTIONS.

*Whereas*, The Hon. JOSIAH QUINCY has been and is making efforts to assist the working men, of moderate means, in obtaining homes outside the limits of the city of Boston; and

*Whereas*, There are certain measures before the State legislature, looking to the reduction of railroad fares for the benefit of the working classes; and

*Whereas*, The above-mentioned efforts, plans and measures seem feasible to us, and worthy of our attention, as being destined to meet with ultimate success; therefore

*Resolved*, That we unite together, under the name and style of "THE QUINCY HOMESTEAD ASSOCIATION," for the purpose of procuring homes for ourselves, on the plan proposed by Mr. Quincy, to wit: a small amount to be paid down, say at least two hundred dollars ($200), and the balance in monthly instalments, until, interest being computed, the whole amount shall have been paid, when a clear title to the property will be given.

*Resolved*, That all we do shall be on the coöperative plan, by which we are jointly responsible for the regular payment of monthly rent, paying like amounts down, like monthly instalments; houses to be after the same general plan and value, except that any individual member may add to the value of his or her house by paying actual cash for the said additional value.

*Resolved*, That all applications for membership shall be upon a prescribed printed form; that all applications may be received at a regular or special meeting of the Association; that all applications shall be referred to a regular or special committee of investigation, who shall report at next meeting, if possible, at which time each application shall be subject to a secret ballot, and one negative vote shall bar the applicant from admission.

*Resolved*, Any member absenting himself from three regular meetings, in succession, shall be considered as having withdrawn, unless he notifies the Secretary of his inability to attend.

*Resolved*, That the business affairs of the Association shall be kept strictly secret.

*Resolved*, That it shall require a two-thirds vote to alter, amend or add to these resolutions.

*CHEAP TRAINS AND INDEPENDENT HOMES FOR THE WORKING PEOPLE.*

# ARGUMENT

BEFORE THE MASSACHUSETTS LEGISLATIVE COMMITTEE ON RAILWAYS, 1871.

MR. CHAIRMAN:—In the petition I have presented, and which you have done me the honor to print among the documents of the session, I pray the honorable bodies of which you are the organs to take into consideration "the justice, legality and expediency" of requiring the managers of the railways terminating in the city of Boston to carry mechanics, artisans and laborers, who have been driven, either directly or indirectly, from their homes, by the requirements of railroads, for a very reduced price. And first let me speak of the JUSTICE of the claim.

As I have stated in my petition, hundreds of families and thousands of individuals of the working classes, have been thus driven from their homes and forced to go into poorer, more expensive or more inconvenient lodgings. This is done by the grants made by your predecessors permitting these corporations to avail themselves of the power of the State in taking lands by eminent domain. This power is rarely, if ever, delegated, I will not say prostituted, in Europe, for the benefit of money-making corporations. Let me read you an extract from the London *Times* of the 24th of August, 1864: "From the city of London the working class are being fast driven away in the rage for railway enterprise and public improvement, no one knows where, but probably to crowd still more districts already densely populated. The value of ground in the city has increased to a fabulous extent; a building has been erected

on land bought for the purpose, at the enormous rate of 1,800,000 pounds sterling (or over nine millions of dollars), the statute acre." Should a money-making corporation have asked Parliament, in such a case, to grant them the use of "eminent domain," their petition would have been treated with contempt. Let us look at the action of our own legislatures. I speak not of the power that has been used.

By Act of 1869, c. 291, the Boston and Lowell Railroad were authorized to take, and during the present summer will take, a block of land near their depot. There are two hundred houses, most of them occupied by several families, averaging at least ten tenants to a house. If, Mr. Chairman, the title of that bill had been "An Act entitled an Act to turn two thousand poor tenants, without compensation, into the street, for the benefit of the Boston and Lowell Railroad," it would not have passed without some such provision for their benefit as I now ask.

Again, by Act of the same year (1869, c. 461), the Boston and Albany Railroad are authorized, for depot and other purposes, "in any town or city, to purchase or take such lands and flats as and wherever they may deem expedient." Eminent domain is given without limit to an irresponsible corporation, with no provision for the rights of the tenants they have or may hereafter deprive of their homes.

Nor is this all. The last legislature appointed a joint commission, consisting of the Harbor and Railway Commissioners, to report a comprehensive plan for depots of the four railroads terminating on the northern side of the city. Several plans have been suggested, one of which at least will be laid before you at your present session. Every one of them contemplates taking houses that will turn hundreds of families out of their homes.

I do not mean to discuss the policy of the State in granting this power. But I maintain that justice demands at the hands of her representatives that, while they provide that the rich owners of the land shall be paid in full, they are bound to protect the interests of the poor tenants they turn into the street. Permit me to read an extract or two, as showing the difference between a monarchy and a republic in guardianship of this class:—

"In the House of Lords, on Friday, the 22d of April, 1864, the following sessional order was proposed by the Earl of Derby, and unanimously adopted, viz.: That it be an instruction to the committee, providing for any railway constructing in the metropolis, to require such railway company to run a cheap train morning and evening, the fare not to exceed one penny for the whole journey."

His Lordship also remarked that this rule applied already to the North London Railway, which may be seen on reference to their Act, 24 and 25 Victoria, c. 196, sect. 45. He further stated that the London, Chatham and Dover line voluntarily adopted the principle on his motion, by agreeing to run trains morning and evening, a distance of ten miles, for one shilling a week. In justice to the railway companies required to furnish this accommodation, it is provided that the number of workmen claiming this privilege shall not be less than one hundred.

Again, in the *Illustrated News* of Jan. 4, 1862, it is stated that on occasion of debate in the House of Lords on the 11th of March, 1861, Lord Ebury informed their Lordships that an arrangement had been made that day with three of the principal railway companies, by which they consented to convey not less than 1,000 passengers a day from any place within ten miles of London, and back, for twopence a day, thus offering a great inducement for the formation of suburban villages on a large scale.

It is remarkable, and not very creditable to our republican institutions, that the proudest peer in England, and her aristocracy by an unanimous vote, should thus care for the laboring classes, and that after an experience of more than thirty years, during which men of all parties have predominated, I should be the first to call the attention of the legislature to wrongs done to this most important class in the community, driven from their homes by legislative action.

As to the power of the legislature I have no doubt. The decision of the Supreme Court in the case of petitioners against the Eastern Railroad establishes, as I understand, their right, under the reserved right to alter, amend and repeal charters, the power to do whatever they may deem that the interests of the public require at the expense of the corporations. But I trust that no peremptory action will be necessary. From

what I know of the managers and stockholders of the railroads I can have no doubt that they will be ready to do whatever they fairly can for the benefit of these classes, that does not establish a precedent or interference with their pecuniary interests. And there can be no doubt that if villages are hereby established on their lines, the friends and families of these tenants who will pay the regular fares will more than compensate for any additional expense, and that any abuses of their liberality can be prevented by their own or the action of the legislature.

My next request is that you consider the expediency of aiding the working classes to obtain homes in the country. Read the exhaustive report of the Bureau of the Statistics of Labor, and learn how thousands of the poorer classes dwell in this city. The greater part of their moral degradation arises from the utter impossibility of observing, in their miserable dwellings, the common decencies of life. Damp, dark, ill-ventilated houses are the prolific source of a large class of the diseases that enervate or destroy the health and strength of a class to whom these blessings are the conditions of their daily bread. If, Mr. Chairman, you wish, as I know you do, to see the laboring population healthy, sober, self-supporting, honest, chaste, religious, you must enable them to acquire homes, where health is not an exception, where decency is not an impossibility, where squalor and discomfort do not necessarily drive the husband and the father to the rum-shop.

I would that time permitted me to describe the exertions that have been made and the results that have been produced in other countries — at Mulhouse, at Penze, at Ackroydon, and elsewhere. I will quote but a single case: The Metropolitan Association for improving the dwellings of the industrial classes in London erected ninety cottages at Penze. A visitor says:—

"A more gratifying spectacle could hardly be offered to the friends of cottage improvement than this suburban village. An air of comfort and happiness pervades the whole group. The gardens that surround the dwellings are well planted, and the evident care bestowed upon their cultivation is a sure sign that the workmen themselves spend their evenings at home, instead of at the public-house. Besides these pleasant tokens of good, the visitor cannot help remarking the clean, healthy and happy appearance of the

wives and children, so different from the squalid wretchedness which is inseparable from the dark alleys and fetid courts of a crowded town."

I cannot but hope, Mr. Chairman, that this petition may result in great benefits to the laboring classes. I have explained to several assemblies of working men a plan for enabling them, by depositing the difference between the high rents they now pay, and the interest on the value of their houses, in a savings bank, to procure a home at once, and in a few years to become its owner. I am happy to say that the plan has been deemed feasible, and met the approbation of the most intelligent among them, and associations are already formed into which the granting of this petition will breathe the breath of life. As a part of my argument I shall take the liberty of briefly stating the object and the mode of effecting it.

The success of the plan depends on two modes of action, which have long been acknowledged feasible, but which, as far as I am aware, have never been brought to bear on each other, or never been combined.

John Bright, Edward Ackroyd, Esq., in England, and Mr. Dollfus in France, undertook to solve the problem, "How a limited outlay of capital may materially assist in raising the general standard of workmen's houses, in any locality, to an extent far beyond the original capital employed." They procured land — obtained designs from an able architect — found parties willing to take the houses — formed a building association, and arranged with a savings bank, who agreed to advance three-fourths of the capital required, the principal to be repaid with annual interest in twelve yearly instalments. Where the purchaser was of good character but unable to advance the one-fourth of the purchase money, Mr. Ackroyd guaranteed the first three years' payments, after which his guarantee ceased, as the mortgage of the property was a sufficient security against loss.

All these men were manufacturers, and did what they did for the benefit of their operatives. We cannot expect a similar liberality from those who have not the same interests.

I hold in my hand a translation of the German law establishing the People's Banks, signed by the present Emperor of

Germany, and the greatest living statesman, Graf von Bismarck-Schonhausen. These People's or coöperative banks of Germany were established about twenty years ago, and there were in that country, in 1867, 2,600 of them, with 550,000 shareholders. Money and goods, in 1867, were entrusted to them on credit, amounting to 36,000,000 of dollars, and their business transactions amounted that year to 155,000,000. I have not time to explain to you fully the immense advantages that resulted from these associations, in enabling men, whose only basis of credit was their daily labor, to obtain small sums of money, either for trade or housekeeping, which they could not command at all, or only under hard conditions, from any other source. They enabled independent craftsmen to purchase at wholesale, for cost, the materials used in their manufacture; they enabled associated workmen to carry on manufacturing and agricultural pursuits on a large scale; to establish a common warehouse, in which each member is entitled and bound to expose, on his own account, the wares of his manufacture, and for procuring articles for family use and distributing them by means of coöperative stores or otherwise. All industrious persons who maintain themselves and their families are eligible as members of these associations. No one is allowed to hold more than two hundred dollars in stock. None are admitted but by vote. The basis of credit is a fund derived from monthly contributions, the amount of which is the measure of the sum for which the association can be indebted. It must always equal thirty per cent. of the association debt. But the great security arises from the personal liability of all members for debts due from the association. The law by which they are authorized consists of seventy sections, which guard the rights both of the public and the shareholders so effectually that there has never been a case of failure. The losses upon the millions used have only averaged one-fourteenth of one per cent., and the profits on the money deposited by the shareholders have averaged twelve per cent. per annum.

A German friend of mine, on returning to his native city of Cologne, was surprised to find the place in a great state of excitement. All the guilds of the several associations of working men were arranged under their several banners, in order to escort with due honor Mr. Schulze Delitzsch to his quarters. He

naturally inquired who this Mr. Schulze Delitzsch was, whom the people thus delighted to honor, and what he had done to deserve it. He was not a soldier returning from successful war. He was not a millionaire who could bestow hundreds of thousands to give a small number of mechanics comfortable homes at a comparatively low price. He was a gentleman of moderate means. His whole merit was that by introducing these banks he had enabled the working classes to take care of themselves; and in doing that had opened the way to an independence which thus excited their gratitude.

I have now a petition before the Committee on Banks and Banking, which, if granted, will give to our working classes the great benefits that have been conferred by their law on the working men of Germany. Should it be reported, I am sure, Mr. Chairman, that you will give it your most careful consideration, and if approved, your most efficient support.

Now for the union and application of these principles. I go into a model tenement house, built by philanthropists who only desire to receive six per cent. on their investment, instead of twenty and thirty per cent. that are paid by the poor in other cases. The poorer class of the best condition are here provided with a small parlor, a kitchen, one chamber, and a recess, concealed by a curtain, for another bed. For this accommodation they pay three dollars and fifty cents a week, or one hundred and eighty-two dollars a year. I am satisfied, from replies I have received to an advertisement for suitable land, that, if this petition should be granted, they could obtain far better accommodations, with a few thousand feet of land for a garden, for one thousand dollars; the interest of which, seventy dollars, being deducted from the amount now paid, would leave over a hundred dollars to be applied annually to the payment of the principal.

But how shall this credit be obtained by the working classes who have no rich friends to help them and small reserves of their own? In Germany this question has been answered, as I have stated, by the coöperative banks, through which, by means of a system of mutual responsibility for loans, millions of dollars have been placed in the hands of working men, rendering them prosperous and independent, and developing the manly character that is now astonishing the world by its military re-

sults. Let us apply this principle to obtaining credit for the erection of houses. Take the first case to which I have alluded. If a man who is now paying three dollars and a half a week for his lodgings could obtain a house with equal or superior accommodations for $1,000, the interest on which, at 7 per cent. would be $70 dollars a year, and apply the difference between that and the rent he now pays, $112 a year, to a sinking fund, it is evident that within ten years he would have paid for and owned his house, his rent diminishing all the time.

A working man goes to a capitalist and makes the above statement, and adds, If I could obtain this money I should be able in a few months to procure a home, where the health of my children will be improved, where they will not be subjected to bad influences, and where I and my family will have an object for which to work and economize. The capitalist would reply, All that may be very true, but what security do you give me that you will take the house when it is built? I do not wish to invest my money in a small house, which I may have the trouble of leasing or be obliged to sell at a loss. You may reply, I have some money in the savings bank; if you will lend me the rest I will pay, say two hundred dollars towards the land and foundation of the house, and shall pay the rest in instalments as the work progresses. The capitalist may reply, So far your offer is satisfactory; but what security have I that you will continue to pay your rent? You are an honest, temperate man, a good mechanic, and perform your agreement if possible. But you may be sick; you may meet with an accident that will prevent your performing your contract. Is there no person who will be willing to guarantee the payment of your rent, at least until so much has been paid on the principal as to render a lien on the house sufficient security for the balance? You may reply, Yes. There are twenty—fifty—a hundred mechanics whose characters are as good, and whose individual responsibility is as great as my own, who for the sake of obtaining a house on these terms will be jointly and severally responsible that my rent, and the rent of all the other associates, shall be regularly paid and deposited every lunar month in a savings bank, from which deposit there shall be paid your interest semi-annually, and the balance carried annually to our credit; to remain, however, as security in the bank until all our contract

with you is fulfilled, and the risk of thus guaranteeing the payment of rent would be small, after the first deposit, and diminishing by every payment that is made; and in case of default the association would have the right to take possession of the property and sell the subscriber's rights to some one who would undertake to fulfil his agreement.

What steps should be taken by persons who wish to avail themselves of such an association? If you are become liable for the payment of the rent of another, you of course desire to know the character and responsibility of your associate. Let a certain number of persons who work in the same shop or the same neighborhood form such an association, and admit any persons whom they are satisfied are honest, industrious and temperate, and who are earning enough to support their families, and pay regularly their present rent. I have spoken of a hundred associates, as a large number would be able to purchase the land and erect the buildings on far better terms than a smaller. But so large a number is not essential; ten or twenty responsible men could probably get the credit that is essential to carrying out the plan. There may be advantages in smaller numbers. If a village is to be established, it may be more agreeable that persons of the same occupation, nationality or faith should dwell together. Let there be several of these associations, to comprise persons who are naturally drawn towards one another, and let the rivalry be who shall show the neatest houses, the best organized society and best educated children. It is generally assumed that the members of such an association should be located on the same piece of land; but this is not essential. All that is necessary is that the house should be of sufficient value to render the payment of rent certain.

For many reasons it is desirable that those who thus associate should live together out of the city, obtaining a favorable location, and availing themselves of the advantages of buying and building by wholesale, and have an opportunity of organizing their society to their own satisfaction. From offers made to me in reply to an advertisement, I am satisfied that land can be procured within thirty minutes' ride by railroad on very favorable terms.

The association being formed and the refusal of the land ob-

tained, the next and most important step is to raise the necessary funds. These may be obtained either of individuals or the savings banks. The latter hold about one hundred and twenty-three millions of dollars ($123,000,000), a very large proportion of which belongs to the working classes, and should, as far as is consistent with security, be used for their benefit. These institutions are authorized by law to lend money on mortgage of real estate, or on the note of an individual with two satisfactory sureties. The association would give both a mortgage on their property and their joint and several obligations to pay a sum agreed upon every month until the debt was cancelled. As His Excellency in his message states, great moneyed institutions object to lending small sums of money on account of the trouble in collecting the interest. This arrangement obviates the objection.

The great difficulty of forming such an association and carrying it out, results from want of confidence. Laboring men have earned their money hard and are unwilling to put it at risk. There is, however, one class of institutions that is entitled to and that has the confidence of the whole community—the savings banks. Should such an association be formed, I should hope not only to procure the money from them, but to constitute them, in a manner, the financial agents of the concern. I should propose that a committee of the association should be appointed to collect the rents, $3.50 a week, and deposit in a savings bank where interest is allowed. Supposing there are one hundred members; they have in a year together paid in $18,200; $5,600 will have paid the interest on the $80,000 borrowed, and $12,600, or $126 for each individual, paid on the principal of his debt, which is thus reduced from $800 to $674; this may be endorsed on his obligation, and at once reduce his rent $9.03, or may be left on interest in the savings bank until the whole debt is paid. Within three years one-half of the debt would be paid, and the property, without any other security, would be a guarantee for the payment of the rent.

Some will doubt whether the funds necessary for such a plan can be obtained. I am sanguine that they can. In the language of Burke, "There is nothing in the world really beneficial that does not lie within the reach of an informed understanding and a well-directed pursuit. There is nothing that God has

judged good for us, that he has not given us the means to accomplish both in the natural and moral world. If we cry like children for the moon, like children we must cry on." Should such an association be formed, and a sufficient sum paid in to render the mortgage with the personal guarantee secure, philanthropists who cannot afford to dispense with the income of their property may confer a vast benefit on their fellow-men, without risk and without trouble. The weekly payments of the association into a savings bank will secure the interest and provide for the repayment of the capital. The painful necessity of collecting rents from the poor, which prevents capitalists from investing in this species of property, will be avoided, and the interest of the tenant in a house he owns will lead him to keep it in repair and provide for the taxes and insurance.

*Mr. Chairman*, I thank you and the other gentlemen of the committee for this opportunity of explaining my object in presenting this petition. You will be addressed by eloquent orators, paid to persuade you to make the rich richer. But I feel confident that as statesmen you will agree with me that the highest benefit you can confer on the republic is to elevate the character and condition of the working classes, by aiding them in obtaining INDEPENDENT HOMES.

*HOMES FOR MEN OF MODERATE MEANS.*

# ADDRESS

BEFORE THE QUINCY HOMESTEAD ASSOCIATION, OCTOBER 4, 1871.

MY FRIENDS :—It gives me sincere pleasure to meet the families of your Association this evening. While we hold that the possession of a house is a condition almost indispensable to the highest usefulness and happiness of man, we must also acknowledge that the house can never be made a home without the coöperation of the woman who shares it. Here she finds the sweetest and fullest expression for her individuality; hence she exerts her widest influence. While we take a reasonable interest in the various schemes of coöperation put forward by zealous advocates to regenerate the world, let us never forget that the purest type of coöperation is found in the household. In these days, when competition is keen and demoralizing theories of life are publicly advocated, I think we can do our best work in upholding and strengthening the independent family as the only guarantee of a free state. If, then, this Association shall show that, by properly combining the savings of working men, comfortable homes are secured, it will be doing a work of great usefulness to the community in which we live.

At the commencement of this undertaking I told you that the first requisite of success was patience. And I have now to say that we have progressed as far and as fast as I anticipated. Your Association is composed of about fifty members, who have been admitted after a careful examination of their characters, wishes and prospects. I am told that there are several hun-

dred more who are ready to join whenever you are ready to admit them. Many of the regular members have already deposited two hundred dollars each in the savings banks, and placed the books in my hands, to be used in payment for the land, whenever it is selected. Should the Association increase, as I am led to believe it will, to one hundred members, I shall have in my hands twenty thousand dollars in cash, which will give me great advantages in negotiating for land. It is not difficult to find a location in the country easily accessible by railroad to the city. In response to an advertisement, I had offers of more than fifty different pieces of land at various distances and at various prices. In some cases the owners of real estate have offered it without cost, looking for remuneration to the increased value of other lands by the location of a thriving village in their vicinity. The further we go from the city, the cheaper the land and the larger the lot for a garden obtained for the same money. Modern improvements have changed the relative position of places. A man who lives on a steam railroad, fifteen miles from the city, is, for all practical purposes of time and convenience, as near as one living three miles from his work, but who is obliged to depend on his own legs or a horse-car for his means of locomotion. From interviews I have had with the directors of several of the railroads, I feel confident that when we have decided on a location, they will either give a free ticket for several years to the head of each family, or run a cheap train, morning and evening, for the accommodation of the village.

I believe that the managers of our railroads are coming to realize the importance of building up villages by liberal reductions of fares. The enlightened policy of the Old Colony Railroad is even now creating one of the most beautiful and thriving settlements in the vicinity of Boston. The hills at present called Wollaston Heights, in the town of Quincy, which President John Adams used to say commanded finer views than any he had seen in Europe, are being covered with houses with a rapidity almost unprecedented. While a part of this success is doubtless owing to the able management of those controlling this settlement, and their guarantee that the community shall never know the nuisance of a grog-shop, a large portion must be attributed to the directors of the railroad, who promised, on

an average, a free ticket for three years to each householder, provided fifty houses should be built. In three years the number of passengers between Wollaston Heights and Boston increased over four hundred per cent., and the income of the road from the families and friends of the householders over three hundred. The following are official returns :—

| | Passengers. | Income. |
|---|---|---|
| For the year ending June 30, 1869, . . . | 3,376 | $540 19 |
| " " " 30, 1870, . . . | 8,617 | 1,160 70 |
| " " " 30, 1871, . . . | 14,654 | 1,892 80 |
| For three months ending August 31, 1871, . . | 14,300 | - |

Thus in four years from the inauguration of this system, the paying passengers at that station will have increased from a little more than three thousand to fifty.

When the arrangements are made with the railroads, and the style and cost of the buildings decided, the financial question remains. That small houses in the country sell for much more than they cost is evident from the great numbers that are going up in every direction around the city. If I am rightly informed, houses that cost with the land from fifteen to eighteen hundred dollars, sell for from twenty-five hundred to three thousand dollars, and I have heard of cases where savings banks have loaned more than the whole cost of such buildings and considered the security ample. The managers of savings banks are trustees, and they would be false to their trusts if they loaned their money without adequate security. As far as it concerns us, their investments are limited by law to loans on real estate, and on the obligation of an individual, with two satisfactory guarantors. Most capitalists will lend two-thirds of the value of an estate on mortgage, if the signer of the note is considered responsible.

Now, what is the security your Association proposes? Let us take as an illustration the smallest house that would probably be constructed. The principle of course applies to houses of any cost.

In the model tenement houses apartments, consisting of a

parlor, a kitchen, a chamber and a recess for a bed, with certain privileges in the cellar, rents for three dollars and fifty cents a week, or one hundred and eighty-two dollars a year. A house with far greater accommodation can be built by an association for one thousand dollars, the interest on which, at eight per cent, is eighty dollars. A single house of this class would cost twelve hundred and fifty dollars, and would sell for more than its cost. If a single house can be built for $1,250, builders will contract to build fifty at a discount of from 20 to 25 per cent.

Fifty houses at $1,250 would be $62,500; at twenty per cent. discount they would be built for $50,000, or $1,000 apiece. The hundred dollars paid in would reduce the amount of the loan required to $900 on each house, or $45,000 in the aggregate, or about two-thirds of the value of the houses, supposing them to be worth only the $62,500 which would have been their cost if built singly. The subjoined calculation shows what would be the result if the loan were effected at 8 per cent., the interest and part of the principal being paid annually; interest at 6 per cent. on deposits being credited, as this is allowed by several of the banks:—

| | | |
|---|---|---|
| Build fifty houses at $1,000 each, . . . . | | $50,000 00 |
| Pay $100 down on each house, . . . . | | 5,000 00 |
| | | $45,000 00 |

I pay 8 per cent. interest, or $3,600 a year:—

FIRST YEAR.

| | | |
|---|---|---|
| Rent of each house $3.50 a week, or $182 a year, say fifty houses, . . . . . | $9,100 00 | |
| Interest on deposits 6 per cent., average 3 per cent., . . . . | 273 00 | |
| Income, rents, etc., . . . . | $9,373 00 | |
| Less 8 per cent. on $45,000, . . | 3,600 00 | |
| | | 5,773 00 |
| *Carried forward*, . . . . . | | $39,227 00 |

| | | |
|---|---|---|
| *Brought forward,* . . . . . | | $39,227 00 |
| SECOND YEAR. | | |
| Rents and income as above, . . | $9,373 00 | |
| Less one year interest on balance of loan, say $39,227, at 8 per cent., . | 3,138 00 | |
| | | 6,235 00 |
| | | $32,992 00 |
| THIRD YEAR. | | |
| Rents and income as above, . . | $9,373 00 | |
| Less one year interest on balance of loan, say 8 per cent., . . . | 2,639 00 | |
| | | 6,734 00 |
| | | $26,258 00 |
| FOURTH YEAR. | | |
| Rents and income as above, . . | $9,373 00 | |
| Less one year interest on balance of loan, say 8 per cent., . . . | 2,100 00 | |
| | | 7,273 00 |
| | | $18,985 00 |
| FIFTH YEAR. | | |
| Rents and income as above, . . | $9,373 00 | |
| Less one year interest on balance of loan, 8 per cent., . . . . | 1,518 00 | |
| | | 7,855 00 |
| | | $11,130 00 |
| SIXTH YEAR. | | |
| Rents and income as above, . . | $9,373 00 | |
| Less one year interest on balance of loan, 8 per cent., . . . . | 890 00 | |
| | | 8,483 00 |
| | | $2,647 00 |
| SEVENTH YEAR. | | |
| Rents and income as above, . . | $9,373 00 | |
| Less one year interest on balance of loan, 8 per cent., . . . . | 211 00 | |
| | | $9,162 00 |
| Less balance of loan, . . . | | 2,647 00 |
| Surplus on hand, . . . . . | | $6,525 00 |
| Debt extinguished. | | |

You perceive by these figures that in little more than six years the debt would be paid in full, and that at the expiration of two years there will have been paid interest and over $12,000 on the principal, and the debt reduced from $45,000 to $33,000, which is about one-half of the cost of the houses. Savings banks are authorized to lend on the note of an individual with two sureties. You propose to give a note, a mortgage, and fifty sureties; and those not men who to-day are supposed to be worth a million, but who, by a turn in the stock market, may to-morrow be bankrupts. The income of the men you propose is during their lives as certain as the continued necessities of mankind, and in case of death, the "Unity Mutual Life Insurance Company," of which most of you are members, will furnish the means for paying up his rent and securing the property to his family.

This Association propose to build fifty houses of a better class, which, if erected singly, would cost $2,000 each, or $100,000; assuming that there would be a discount of twenty-five per cent., as I am assured by builders would be the case, if contracted for together, the cost would be $75,000; of this each member pays down $200, or $10,000 in the aggregate, reducing the amount required on mortgages to $65,000, or about two-thirds of the value of the houses if erected singly; assuming that you obtain the money at seven per cent. and receive interest on your deposits as before. According to the following statement, the debt would be reduced in two years to one-half of the value of the houses, estimating them at the cost if erected singly, and the whole debt extinguished in a little more than six years:—

| | | |
|---|---|---|
| Build fifty houses at $1,500 each, . . . . . | | $75,000 00 |
| Pay $200 down on each house, . . . . . | | 10,000 00 |
| | | $65,000 00 |

Interest at seven per cent. is $4,550.

FIRST YEAR.

| | | |
|---|---|---|
| Rent of each house at $5 per week or $260 a year, is, . . . . . | $13,000 00 | |
| *Carried forward*, . . . . | $13,000 00 | $65,000 00 |

| | | |
|---|---|---|
| *Brought forward*, . . . . | $13,000 00 | $65,000 00 |
| Interest on deposits, say 3 per cent., . | 390 00 | |
| Income, . . . . . | $13,390 00 | |
| Less interest on $65,000 at 7 per cent., . | 4,550 00 | |
| | | 8,840 00 |
| | | $56,160 00 |

SECOND YEAR.

| | | |
|---|---|---|
| Rents and income as before, . . . | $13,390 00 | |
| Less interest on balance of loan at 7 per cent., . . . . . | 3,931 00 | |
| | | 9,459 00 |
| | | $46,701 00 |

THIRD YEAR.

| | | |
|---|---|---|
| Rents and income as above, . . . | $13,390 00 | |
| Less 7 per cent. interest on balance of loan, | 3,269 00 | |
| | | 10,121 00 |
| | | $36,580 00 |

FOURTH YEAR.

| | | |
|---|---|---|
| Rents and income as above, . . . | $13,390 00 | |
| Less 7 per cent. interest on balance of loan, | 2,560 00 | |
| | | 10,830 00 |
| | | $25,750 00 |

FIFTH YEAR.

| | | |
|---|---|---|
| Rents and income as above, . . . | $13,390 00 | |
| Less 7 per cent. interest on balance of loan, | 1,802 00 | |
| | | 11,588 00 |
| | | $14,162 00 |

SIXTH YEAR.

| | | |
|---|---|---|
| Rents and income as above, . . . | $13,390 00 | |
| Less 7 per cent. interest on balance of loan, | 991 00 | |
| | | 12,399 00 |
| | | $1,763 00 |

SEVENTH YEAR.

| | |
|---|---|
| Rents and income as above, . . . | $13,390 00 |
| Less 7 per cent. interest on balance of loan, | 123 00 |
| Surplus, . . . . . | $13,267 00 |

And debt extinguished.

When a location is selected and arrangements made with the railroads for free tickets or reduced fares, and not until then, the members will be called upon for an assessment to pay for their house-lots, which will not exceed the amounts proposed. Each member will receive a deed and give a bill of sale mortgage on his own house for the amount he requires — in one of the before-mentioned cases for nine and in the other for thirteen hundred dollars — the money to be received as the work progresses, so as to keep the lender always secured. In addition to the individual responsibility of the signer of the note, *the members of the Association agree to be jointly and severally responsible that the debt and interest, in the shape of a rent, shall be paid regularly on each and every note at the times and in the amounts agreed.* In case of neglect of an individual, the bank would, at the request of the Association, sell under the mortgage, the purchaser paying the surplus, if any, to the original owners. Such an arrangement would require the bank to keep but one account until the end of each year, when the interest would be deducted and his proportion of the surplus of the deposits indorsed on the note of each individual.

As by this plan no member parts with his money until he has a deed of his house-lot, and as the payments of rent are made directly to the lender, there would seem to be hardly a possibility of loss.

In the foregoing calculation I have made no addition for insurance, taxes and the railroad ticket for the owner of the house. My object is to render all that the tenants do as simple as possible, so that they may have no responsibility but that of paying their rent as it accrues. To provide for this I should propose that in addition to the payment of the interest there should be deducted from the amount paid in, a sum equal to the insurance and taxes, and after one-half of the value of the house is paid, a further sum sufficient to pay for the railroad ticket. This would postpone the ultimate payment for the house, but would simplify, in a great degree, the duty of the tenant.

A friend of mine, who has studied what is called the labor question with some attention, comes to the conclusion that one of the most practicable ways of protecting a man's rights as a laborer is to protect his rights as a capitalist. The working

man who denies himself and lays by part of his wages should command the best business intelligence to secure him a productive investment. While walking through streets of magnificent stores and luxurious dwellings, we ask the question, Who furnishes the money for this lavish expenditure? A great part of it is supplied by the savings banks. And these banks represent the surplus not only of the mechanic and artisan, but also of the hod-carrier and the washerwoman. Now, it is recognized by all other banks that he who keeps a large deposit has a good claim to a discount. Should his bank refuse a capitalist such an accommodation he would at once transfer his account to another. The laboring classes in Massachusetts have on deposit over one hundred millions of dollars! There is a competition among savings banks to attract depositors. It should be determined among their patrons to withdraw their deposits from such banks as refuse to lend to persons of moderate means upon good security, and to place them in those that will offer the working man this important aid.

The savings banks at the West are managed by persons who deem it to be their duty to assist their depositors in obtaining independent homes. I have circulars issued by such institutions in Toledo and Chicago. These offer premiums for the best plans of houses adapted to persons of moderate means. They announce, in capital letters, "Money loaned to those who deposit with the institution and who wish to build houses." They publish plans, elevations, specifications, and "a bill of items furnished by a practical builder, showing the actual cost of a house." These houses can be erected there for from $375 to $1,500 apiece. A three hundred and seventy-five dollar house is not a palace, but it gives as much accommodation as is obtained in the city for three dollars and a half a week, and is so constructed that it can be made a part of a larger building whenever the tenant is able to construct one. I have had an offer to build a house with four rooms for $400, provided a large number were contracted for together. Now, on the plan adopted by your Association, the tenant would pay down $100 for a lot. This, if containing 2,500 feet, land at $400 an acre, would cost but about $25, leaving $75 for incidentals.

| | | | |
|---|---|---|---|
| He borrows on mortgage, with the guarantee of his associates, . . . . . | | | $400 00 |
| He pays annually, by weekly instalments to the savings banks, $3.50 × 52, . . . . . | | $182 00 | |
| Interest at 8 per cent. on $400, . . | $32 00 | | |
| Insurance and taxes, . . . . | 20 00 | | |
| | | 52 00 | |
| To be carried to the sinking fund annually, . | | $130 00 | |
| In three years, . . . . . | | $390 00 | |
| Add interest on deposits, . . . . . | | 17 62 | |
| | | | $407 62 |

At the end of three years he has paid for his house and can afford forever after to pay his fare on the railroad. The above is in the expectation of being able to obtain a free pass for the owner of the house for three years. My hope of so doing is based on the great benefit that would accrue to the public, and, as in case of the Old Colony, a prospect that it would greatly increase the income of the road. At the last session of the legislature I presented a bill, asking for working-men's trains, at rates similar to those granted in Great Britain. The counsel for the railroads did not deny the power of the legislature to grant the petition, but stated that the managers of the railroads would be very liberal to such associations if they were authorized by law to make such a discrimination between their passengers, and an Act was accordingly passed. In the interest of the railroads I advocate a free pass for the head of the house for three years, on certain specified trains, to associations that would put up fifty houses on the line of the road, as there would then be no necessity for making any alteration in regular fares. From letters I have received, and papers that have been sent me from St. Louis, Toledo, Pittsburg, Chicago and San Francisco, I have no doubt that similar associations to yours will be formed at many places in the West, and hundreds of houses be thus erected by the savings of working men in other parts of our common country.

The homestead of the laborer is the best form in which capital can be invested. It pays a large percentage, and is of the highest advantage to the State and the individual by elevating

the family relation, upon which the prosperity of both must depend. I therefore maintain that the working man who lays by something every year should be able to buy *credit* with his savings. And I am confident that an association such as you have formed — a company of working men of good honorable character and responsible for each other — can offer the amplest security.

---

APPLICATION FOR MEMBERSHIP

TO

## THE QUINCY HOMESTEAD ASSOCIATION.

---

1. What is your full name?
2. Residence.
3. Occupation.
4. Place of business.
5. Date and place of birth.
6. Are you married or single?
7. If married, how large a family have you?
8. Whom do you offer as references? (Name, .) (Address, .)
9. Do you understand Mr. Quincy's plan?
10. Are you prepared to pay $200 as the first instalment, when called for by Mr. Quincy?
11. Are you temperate in your habits?
12. Do you enter into this Association with a speculative view, or for the purpose of procuring a *home* for yourself and family?
13. What railroad do you prefer?

*Signature of applicant.*

Proposed by .

The investigating committee report

Boston Public Library
Central Library, Copley Square

Division of
Reference and Research Services

The Date Due Card in the pocket indicates the date on or before which this book should be returned to the Library.

Please do not remove cards from this pocket.